FOREIGN AGRICULTURE

Picking asparagus, France

October 21, 1974

U.S. Meat Imports Down

India's Peanut Crop

Foreign
Agricultural
Service
U.S. DEPARTMENT
OF AGRICULTURE

FOREIGN AGRICULTURE

Vol. XII • No. 42 • Oct. 21, 1974

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A French farm worker picks asparagus, one of the more than 40 farm products for which the U.N. Economic Commission for Europe has developed marketing standards —efforts described in article beginning on page 6.

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U.S. Meat Imports Trend Down In Face of Rising World Surplus

By K. SUZANNE EARLY and ARTHUR F. HAUSAMANN
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IMPORTS OF FRESH and chilled meat into the United States in 1974 may fall 18 percent below those of last year, for the first time in 2 years slipping under the trigger point for Federal meat import quotas that were suspended in mid-1972.

However, the decline comes at a time of still-mounting beef surpluses abroad, which portend future problems in the world market should producers decide to liquidate some of the additional cattle they have been holding on pasture.

The new estimate sees U.S. imports of fresh, chilled, and frozen beef, veal, mutton, and goatmeat totaling 1.1 billion pounds, product weight, in 1974, compared with about 1.3 billion in each of the previous 2 years. This represents an 8 percent decline from estimates made in July and a 16-million-pound drop below the quota trigger level of the Meat Import Law (P.L. 88-482).

The slowing import pace is the result of low prices in the United States for manufacturing grade beef, favorable pasture conditions in major exporting countries, and higher shipping costs and labor problems in Australia—far the largest source of U.S. meat imports.

As a result, Australia alone is shipping 200 million pounds less meat than it did in 1973. In fact, only Ireland is increasing shipments to the United States in 1974—by about 28 million pounds.

Not so certain, however, is what will happen next year as a result of the tightening import restrictions in other markets and the worsening financial problems of livestock producers.

Outside the United States, the world market for meat has been steadily narrowed by trade restrictions. The European Community since July has had a ban on all imports of beef and veal, which is due to be lifted at the end of October but probably will be extended through the spring of 1975. Canada on August 12 imposed import quotas on beef and live cattle, and Japan has issued no new beef import quotas since October 1973.

The United States thus stands as the only major unrestricted market for beef imports, and already has begun receiving a larger percentage of total trade than in the recent past. However, earlier fears that this country might become a dumping ground for meat have failed to materialize.

The reason is that livestock producers in the major exporting countries, faced with the prospect of marketing at low prices or holding their animals on pasture, have temporarily opted for the latter—a move encouraged by unusually favorable pasture conditions in major producing countries.

As a result, while cattle slaughter has turned up—especially in European countries—herd increases have continued, and an estimated 15 million head of cattle will be added to inventories this year. Somewhat offsetting these larger potential beef supplies will be lower levels of pork production starting in the fall of 1974.

Supplies of beef are steadily mounting—particularly in the European Community—and have prompted some recent highly discounted sales to the Soviet Union.

Major importers. U.S. beef and veal production is climbing faster than had been expected. Current estimates indicate an 8 percent gain in output, compared with 6 percent forecast in July. Production in January-August was 15.2 billion pounds for an 8 percent increase from the 1973 period.

U.S. cattle numbers as of July 1 were also up—by 7.4 million head from a year earlier to 138.3 million head—with about 90 percent of the cattle on ranges and grassland, compared with 85 percent in 1973.

Slaughterings of grass-fattened animals also have risen—by an estimated 300,000 head in the first 7 months.

However, placements of cattle on feed in seven states were down 20 percent in the first 8 months of 1974. As a result, prices for feeder cattle are down and expected to remain depressed at around $25-$35 per 100 pounds, through the fall months.

This, in turn, is affecting prices of manufacturing beef—the category into which most U.S. beef imports fall. Hence, while prices for imported cow beef (f.o.b. port of entry 30 days) strengthened in August to 80 cents per pound, they soon began to slide, reaching a late September level of about 63 cents—the lowest since January 1972.

On the other hand, supplies of cattle finished in feedlots are down, reflecting the higher cost of animal feed, causing prices for fed cattle to remain steady. This trend is expected to continue through the fall.

CANADA has been experiencing much the same problems as the United States and has moved to attack these through a beef price stabilization program which includes quotas on imports (*Foreign Agriculture,* September 30, 1974). The quotas, based on average imports of slaughter cattle and fresh and frozen beef and veal during 1969-73, limit imports to 82,826 head of cattle and 125.8 million pounds of beef and veal.

Partly because of the program, cow beef prices in Canada, which are normally below those in the United States, are now about on par. This is expected to increase Canadian manufacturing beef prices and could divert some Australian and New Zealand shipments into Canada from the United States. However, such shipments would be limited by a provision in the new Canadian regulation allowing no more than 30 percent of the annual quota to enter in any one quarter (14 million pounds for Australia and 18 million pounds for New Zealand.

Cattle numbers on Canadian farms as of June 1 totaled 15 million head—6 percent above those of January 1, 1974. However, cattle slaughter at public stockyards and Federally inspected packing plants between January 1 and August 10 had risen only 1 percent above the 1973 level.

In the European Community, the embargo on beef, veal, and cattle imports is expected to drop net beef and veal imports to about 440 million pounds (carcass weight equivalent)—a mere 28 percent of the 1,685 million pounds imported in 1973.

EC beef production is expected to rise more than 13 percent, as slaughter accelerates beyond earlier expectations. This high slaughter has been made possible by several years of herd building that saw cattle numbers as of January 1, 1974, some 6.4 percent above those of January 1973.

Should cattle numbers now stabilize for a couple of years, beef production could still remain at an unusually high level, exacerbating the EC oversupply problem.

At the same time, the EC is adjusting to stagnating beef consumption because of the combined impact of inflation, which has reduced consumer purchasing power, and higher margins to farmers, which have kept retail prices high.

The weighted average retail price of table cuts of beef in September was almost 4 percent above that for September 1973, whereas the wholesale price was off 5 percent from that of the previous year.

EC authorities believe the cost of EC cattle and hog price supports will exceed $500 million in fiscal 1975, compared with $100 million in fiscal 1974. However, this increase will be partly offset by lower costs for grain support. Moreover, EC officials feel that since livestock farmers have smaller operations than grain farmers, the cost of support in this area can be justified as a social program.

The situation is complicated, however, by the EC Council's move to increase the cattle orientation price again this year and resulting German complaints. The EC Commission submitted to the Council a 5-percent upward adjustment, which was approved on September 20 but then vetoed by the German Parliament on September 28. The Germans, who contribute the most to the Common Agricultural Policy (CAP), wanted a smaller price increase and want it to come into effect next year instead of this year.

Even now, high support prices are keeping EC cattle prices about 26 percent above U.S. levels and there is a larger gap than usual between them and pork prices—85 percent higher compared with 54 percent last year. As a result, pork is more attractive than beef as a consumer product.

MEANWHILE, surplus stocks of EC beef continue to grow and may total about 500 million pounds by year's end. These large stocks will tend to depress cattle prices in the early months of 1975 while encouraging efforts to find outlets for beef exports.

Such efforts led to sales in early June of 110 million pounds of EC beef to the USSR and 44 million to Bulgaria, carrying subsidies equivalent to 33 cents per pound.

This subsidy, which applies to sales in all third countries, was increased by 8 percent on September 1 to 36 cents per pound, and there have been trade reports of further sales to the USSR, the Middle East, and Eastern Europe.

In Japan, limitations continue on beef imports and they are not scheduled to be lifted until wholesale dairy steer prices reach the equivalent of $1.69 per pound—well above the $1.23 reported in early September.

Slaughterings of dairy beef cattle in Japan, after dipping in the first 3 months of 1974, turned upward during April-June to average about 25 percent larger than in the second quarter of 1973. For the year, beef and veal production is estimated at 595 million pounds—19 percent above that in 1973.

These higher levels and stabilizing

U.S. IMPORTS OF FRESH, CHILLED, AND FROZEN BEEF, VEAL, MUTTON, AND GOATMEAT [1]

[In millions of pounds, product weight]

Source	1972	1973	Estimated 1974
Australia	727.5	708.0	505.0
New Zealand	266.2	290.9	285.0
Mexico	81.9	67.1	50.0
Canada	58.3	55.3	40.0
Ireland	30.9	21.8	50.0
United Kingdom	.1	.2	5.0
Caribbean area	190.6	211.1	180.0
Total	1,355.5	1,354.4	1,115.0

[1] Items subject to U.S. Meat Import Law (P.L. 88-482).

beef prices imply that it may be some time before new beef import quotas are announced. Japanese beef and veal imports in the first 5 months of 1974 were 85 million pounds (product weight)—11 million over those of the same period of 1973.

Major exporters. Australian beef and veal production in the first 9 months of the 1974 shipping season (November-July) totaled 1.85 billion pounds (carcass weight equivalent) for a 22-percent decline from the year before.

The decline comes in the wake of low manufacturing beef prices and foreign restrictions on imports, as well as labor problems in Australia during July and August. As a result of such difficulties, full-year Australian beef production will probably skid 24 percent, with almost all the drop in slaughter for export.

Australian beef and veal exports are thus now forecast at 43 percent below those of 1973. Most of the decline is seen for shipments to the United States, where increased slaughter of grass-fed steers and heifers is expected to put additional pressure on already low manufacturing beef prices.

On the export front, Australian freight rates to the United States were increased 22.5 percent on September 1, which raises freight costs to about 10 cents per pound inclusive of bunker charges.

This was, in turn, partly offset by the 12-percent devaluation on September 24 of the Australian dollar to the equivalent of US$1.31.

Elsewhere, Australia is feeling the pinch of tightening trade restrictions.

The Canadian import quotas limit Australian beef and veal exports to Canada to 66 million pounds over the next 12 months. Furthermore, the provision that no more than 30 percent of the quota can enter in any one quarter is expected to reduce actual exports to Canada this year to 55 million pounds.

Australia also is shipping small amounts to Japan, even though that country has not issued any new beef import quotas. Shipments in July are estimated at 3 million pounds, or only about 30 percent of the November-June monthly average of 10 million. To date, there have been no reported sales of Australian beef to the USSR, as the Australians have been unable to match the low EC prices.

In New Zealand, cattle slaughter in the first 10 months of the 1974 season (October-July) totaled 1.69 million head—down 11 percent from the same

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Dry Weather Cuts India's Peanut Crop; New Variety Being Sought

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SCATTERED MONSOON activity in India, accompanied by limited rainfall, resulted in precipitation more than 35 percent below normal during June, adversely affecting the 1974-75 peanut crop in most producing States. Andhra Pradesh received some rain, while Gujarat and Maharashtra, for the most part had dry weather. These two States usually account for about one-third of India's peanut output.

During July the monsoon picked up strength, but subsided in August and in September rainfall was still below normal in many parts of the country.

Because of the close relationship between monsoon rainfall and peanut production, the 1974-75 crop is expected to be only 4.5-5 million metric tons (in-shell basis)—a million to a million-and-a-half tons less than the high 1973-74 outturn of 6 million tons.

Some of India's peanuts are grown on irrigated land, but even if above normal production levels are achieved, it would do little to relieve the overall peanut shortfall. Only about 5 percent of total Indian peanut area is under irrigation, so its contribution is relatively minor compared with that from the other 95 percent.

It is doubtful that India's peanut production can be greatly increased, barring development of new varieties requiring little water, or an improvement in cultural practices that would increase yields of existing ones. Thus the 1974-75 outlook is for a substantial shortage of vegetable oils, including peanut oil, and a general lack of peanuts and peanut meal for export.

All Indian State universities in major producing areas are engaged in basic peanut research, seeking a plant whose yields will not be inordinantly disturbed by periodic dry spells. Through an interchange of seeds and data, new varieties developed at one university are usually available for field testing by all. So-called dryland stations are also trying to develop peanut plants having a low moisture requirement to replace regular varieties that fall in yield from 0.4 ton per acre to 0.2 ton or less in dry seasons. So far, no such variety has been developed.

But even if such a variety should be developed in the near future, India's problems concerning the peanut crop would be not automatically solved. Because Indian farmers have largely become inured to the hardships imposed by feast-or-famine peanut production—large crops when the monsoon is timely and rain is adequate, smaller ones when moisture is short—they are often reluctant to gamble their livelihood on new, untried plant varieties. Thus the country's extension workers would face a severe test in selling new varieties to farmers, particularly with the limited available resources.

As an alternative solution, many in the trade propose that more land be irrigated. If this is not done, they say, peanut production will rise little above current monsoon-dictated levels.

BUT EVEN THOUGH peanut oil constitutes 50 percent of vegetable oils consumed in the Indian diet, the competition from other crops is intense, and the possibility of increasing irrigated area for peanuts is slight.

Tradesmen see increased use of fertilizer as a partial remedy, but a greater rate of utilization would also require more water to prevent fertilizer burn.

The overall size of India's farms, as well as the per farm area planted to peanuts, varies greatly from region to region. In the northern producing States of Gujarat and Maharashtra, farms are generally 30 acres or less and peanuts usually take up an area ranging downward from 5 acres. In Andhra Pradesh and Tamil Nadu, the irrigated farms are somewhat larger than those in nonirrigated regions, and the peanut area may

also be larger. But in general, about 80 percent of the crop comes from areas of 5 acres or less. India's total area sown to peanuts is usually about 17 million acres, with the harvested area dropping to considerably less when the monsoon fails.

When peanuts were first introduced into India some 50 years ago on a small scale, yields were as high as 950 pounds per acre, but in recent years they have dropped to a range of between 545 pounds and 800 pounds per acre. This is mainly because peanuts in many areas are grown on marginal land. Another factor inhibiting an increase in per acre yield is that farmers each year use seed selected from the previous year's crop.

India is one of the world's largest fertilizer users, although its utilization is not general throughout the country. In 1973-74, when India's production of fertilizer was about 1.4 million metric tons, imports were 1 million tons, and consumption 2.5 million tons, only about 8 percent of all Indian farmers reportedly used fertilizer and insecticides. While the world shortage is an inhibiting factor at present, the percentage of users could probably be boosted by intensive extension efforts once supplies become more readily available.

India's internal prices of peanuts and peanut oil are normally higher than world prices, so that fluctuations in other countries have no effect on the domestic market and producer prices. Internal purchases may be for cash in full, or paid in two parts—a partial payment on delivery and a final payment at a later date.

Approximately 80 percent of all peanuts in India are marketed through channels involving commission agents, small village markets, assembly points in larger villages, and finally the terminal market where oil pressers and exporters compete for the available supply. Most of the rest is handled, sold, and processed by cooperatives and so-called Unions. (In India, a Union is a producer group, while a co-op is the Union's marketing agency.)

Deriving its operational capital from loans to members—the Union gets funds from the Central Bank at 7 percent and relends them at 7.5 percent—the Union has historically lent its farmer members up to 75 percent of the production cost of their coming crop. Union members, generally among India's most progressive farmers, frequently use these funds for the purchase of fertilizers, seeds, insecticides, and other inputs.

Above, field workers using rakes to shake peanuts loose from dried plants. Left, peanut plants piled for drying. India's 1974-75 peanut crop was reduced by limited rains during the monsoon. Indian scientists are trying to develop a peanut variety that uses less water to reduce the crop's dependence on the sometimes erratic monsoon. So far, no such variety has been found by researchers.

Cooperative banks also lend money to the Unions, while private banks lend directly to farmers.

The co-op, in selling the output of Union members, often advances them 75 percent of the current market price, remitting the balance after the nuts are sold. Co-ops may also buy peanuts and process them into oil or vanaspati (hydrogenated shortening), selling the finished product as an independent agent. Or, for a small charge—about US$9.50 per ton at current rates—it will crush peanuts for the producer who will sell the oil and meal, or the co-op may act as agent for the producer in making these sales.

Some small oil processing plants—there are about 2,000 in India—acting on their own behalf, may send agents directly to the farms in plant-owned trucks or bullock carts to buy peanuts. Most of these plants are located near peanut production areas, although some are near major ports. The smaller plants generally use the expeller method for processing peanuts; the larger use the solvent extraction method.

Peanuts are sold shelled and unshelled —but not graded—on a volume basis. Sorting is usually done by the sieve method where shelled peanuts are passed through perforated screens having various sized holes; the most popular sizes are 60-70 and 55-60 nuts to the ounce.

There appear to be adequate storage facilities at all levels of the distribution chain, and it is reported that peanuts can be withheld from the market for a considerable period after being harvested to prevent a glut that would drive prices down. While this is of benefit to the farmers, it complicates the efforts of

crushers and processors, who prefer to make their purchases in as short a period as possible.

The Central Government does not set prices or regulate internal trade in peanuts, although State Governments sometimes erect bureaucratic roadblocks. A common device is for a State Government to establish standards that cannot be met, relaxing them at a later time, or requiring State permits for outbound movements of peanuts. Issuance of these permits is usually delayed or cut off if there is a peanut shortage.

Although some of India's peanuts are affected by aflatoxin, shippers claim that in general exports test out at or below acceptable levels. (Aflatoxin is a toxic substance produced by the fungus *Aspergillis flavus* which shows up under unfavorable harvesting and/or storage conditions.)

There have been several other problems connected with India's exports of peanuts. The general shortage of ship space caused some delays in the past of cargoes leaving India, while the necessity for ships to circumnavigate Africa, instead of taking the shorter Suez Canal route, increased the percentage of spoiled kernels in some shipments and resultant rejections in Europe.

In the past, most shippers acted individually, sending cargoes of 200-500 tons to various markets. The Association of Exporters started to combine smaller shipments to the same country, thereby saving on shipping costs and stepping up efficiency.

The Government offers no export subsidies, so shippers must bear the full cost of transportation.

Exports of peanuts in 1972-73 were 33,000 metric tons, while in 1973-74 they are expected to be over 95,000 tons. Exports of meal were 835,000 tons in 1973, and should be 650,000 tons in 1974. Peanut oil shipments are prohibited.

In a normal year, exports of peanuts are mainly to East European countries —the Soviet Union, Czechoslovakia, Poland, and Hungary—which have bilateral trade agreements with India. Because of a drought-induced shortfall that caused Nigeria to halt peanut exports, Indian dealers said they enlarged their share of the European market in 1973-74. They also stated that although the exports were made as edible nuts, a high percentage went to the mills to be pressed because of high peanut oil prices.

ECE Observes 25th Year of Work On Agricultural Trade Standards

By FRED DUNN
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MARKETING HAS BEEN described as getting the product from the producer to the consumer, from the farmer to the dinner table. In today's interdependent world, this also means getting it from one country to another—an effort that has been aided by development of common product standards by the United Nations Economic Commission for Europe (ECE), which this month celebrates the 25th anniversary of such work.

Formed after World War II to assist economic reconstruction of Europe, the ECE today stands as the one economic body that represents all Europe—both East and West—while also receiving active support from the United States and Canada. A crucial part of the ECE's initial work was development of common standards for perishable products so they could be freely traded among European and other countries. In addition to boosting trade, such standards were seen helping stabilize the market and improve returns to farmers; bringing year-round availability of quality fresh produce; and providing a common language for the production, distribution, and sale of perishable foods.

These efforts over the years have led to improved standards for more than 40 products—primarily fruits and vegetables—moving in world trade. In addition, another six draft standards are out for a 2-year trial period, definitions and conditions of sale of farm products are being explored, and common standards have been developed for quick-frozen and other processed foods.

As a member of the ECE, the United States has cooperated in the development of these standards—although it does not necessarily subscribe to all of them—and in the case of quick-frozen foods has taken an active part in their formulation.

Responsibility for ECE efforts to standardize agricultural products lies with the Working Party on Standardization of Perishable Foodstuffs, which was established by the ECE Committee on Agricultural Problems in October 1949.

At its first meeting in November 1949, the Working Party noted that some European countries had achieved a measure of progress in standardization and control of agricultural products but that much work needed to be done if trading was to expand.

Earlier—in June 1949—a Working Party on Transport of Perishable Foodstuffs had developed a list of perishable commodities moving in trade. It was decided to select from this list products suitable for immediate consideration and to determine the scope and nature of studies to be undertaken. In narrowing the selection, the Working Party picked a limited number of products in which there was already substantial international trade, including apples, pears, apricots, plums, grapes, citrus fruits, tomatoes, potatoes, and salad greens.

The Working Party further agreed to carry on its work through small teams of experts nominated by governments interested in the products under consideration. A rapporteur was chosen from the group to collaborate with the other experts and to prepare recommendations for future sessions. The Food and Agriculture Organization (FAO), with which the ECE cooperates closely, and the ECE Secretariat agreed to provide assistance.

At its second session in 1952, the Working Party concluded that provisions common to all fruits and vegetables could be formulated and consolidated in the form of a "protocol." These general provisions, first adopted in 1954, contain five reference sections dealing with definition of produce, quality classification, sizing, presentations, and marking.

In 1958, the Working Party consolidated these general provisions into a basic ECE document known as "The Geneva Protocol on Standardization of Fruits and Vegetables," which has been widely accepted by European countries.

Clockwise from below: Vacuum transportation of shell eggs at a grading station in the Netherlands; sorting and packaging of French asparagus; high-quality Greek apples awaiting export to Germany; and spraying insecticide on blossoming cherry trees in France. Increasingly interdependent in their farm trade, the countries of Europe have benefited over the past 25 years from ECE efforts to improve standardization of agricultural products moving in this trade.

The Working Party has also studied national laws and regulations, as well as quality control procedures. Cooperation with the Organization for Economic Cooperation and Development (OECD) and other international bodies has done much to aid understanding and uniform interpretation of the standards.

Efforts in the area of agricultural sales had by 1957 included establishment of 16 types of contracts for the sale of cereals and general conditions for the sale of citrus fruits. Later, work was done on condition of sales of potatoes, including rules of survey and arbitration.

Cooperative efforts with FAO and the World Health Organization (WHO) and their joint Codex Alimentarius program have also led to progress in the standardization of products of common interest. These include a number of fruit juices and nectars, and quick-frozen foods, the latter efforts including investigations for testing and measurement of temperatures at various points in the cold chain.

More recently, the Working Party has been considering standards for dried fruits and vegetables, shell eggs and egg products, and certain nonfood horticultural products such as cut flowers.

In the future, the group will undoubtedly become involved in standards for labeling, packaging, handling, storage, and transport, while it continues to look into ways of maintaining quality from the time of sale until delivery to the ultimate consumer.

It has also been suggested that the ECE look into a system of survey and arbitration acceptable throughout Europe.

The U.S. role in the organization has been a supportive one, although this country has its own well-established standards for voluntary use by the fruit and vegetable industry which sometimes do not match the "Geneva" standards set by the ECE.

With respect to standardization activities being carried out jointly by the ECE and Codex—quick frozen foods and fruit juices—the United States has actively participated in all sessions. In the case of quick frozen foods, it took primary responsibility in the authorship of a number of standards, submitted test procedures adopted by the Group of Experts, and prepared numerous documents, including sampling plans.

Zambian Agriculture Assumes New Economic Importance

By THEODORE R. FREEMAN, JR.
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ZAMBIA is seeking ways to improve the efficiency of its agricultural production due to the recent rapid rise in world commodity prices, its strained relations with Rhodesia, and a need to diversify its economy.

Currently, Zambia depends on the mining industry, specifically copper, for 95 percent of its foreign exchange earnings, which renders the economy quite vulnerable to world economic conditions. Copper prices were strong in 1973 but when prices drop, as in 1967 and again in 1971, Zambia's economy suffers.

The agricultural possibilities for this relatively wealthy but landlocked country have scarcely been tapped. Although Zambia has the potential to produce virtually all of its food requirements, agricultural imports amounted to some $64 million in calendar 1972 for a population of only 4.6 million. This represents a 53.5 percent value increase over the level imported in 1968.

Significant import items in most years are beef, wheat, corn, edible vegetable oil, tallow, powdered milk, and refined sugar. When Zambia's corn import requirements are quite high, the United States has supplied sizable quantities—about $3-million worth in 1971. In 1972, however, total U.S. agricultural exports to Zambia were valued at only $412,000, with tallow accounting for $111,000.

Value of Zambia's food imports is quite high on a per capita basis in relation to the country's gross domestic product (GDP), which has shown little improvement, even at current prices. The GDP increased over 14 percent during the 1970-73 period, but the per capita GDP rose only 5 percent during the same period, owing to an annual population growth rate of 2.1 percent. The situation has been aggravated further by a 23 percent rise in consumer prices.

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Zambian officials and private ranchers alike recognize that expansion of beef production could not only alleviate the $5.8 million in annual beef imports and save the country valuable foreign exchange, but in due course, could become a valuable foreign exchange earner.

In an effort to gain the expertise to implement a herd building program, a team of leading Zambian farmers and ranchers recently undertook a 6-week study tour of U.S. agriculture. This group looked into a wide range of U.S. agricultural technology, but its primary interest was the beef cattle industry.

Beef production offers tremendous potential as plenty of grazing land is available at nominal prices, rainfall is well distributed, and labor is in good supply. In addition to extensive grazing, most of the feeding requirements could be met with domestically produced feedgrains, oilseed meals, and molasses.

In the initial stages, however, it may be necessary to import some feed concentrates, premixes, and feed additives. Currently, the main impediment to expanding beef production is a shortage of breeding cattle.

Zambia's total cattle population is estimated at about 1.7 million head, but only about 10 percent, or 170,000 head, are in commercial herds. Some observers feel that the commercial herd should be expanded to 1 million because Zambia needs nearly 100,000 additional carcasses annually to offset the nearly 17,000 tons of beef presently being imported.

Total domestic slaughter of beef in calendar 1973 amounted to 104,000 head. The offtake from traditional herds could be expanded, but eventually the bulk of the increase in beef production will have to come from the commercial sector.

In order to increase the commercial herd significantly, an intensive cattle upgrading program will need to be implemented that will require large imports of quality animals to establish foundation stock. Many of the popular beef animals in Zambia today are of U.S. origin. Expanding the numbers of these well-established breeds would appear to be a logical place to start a herd building program.

Another of Zambia's reasons for attempting to bolster food production at this time is the strain on transport facilities caused by the closing of the Rhodesian border in January 1973.

Up until that time, Zambia had been a normal extension of Southern Rhodesia. Using the port of Beira in Mozambique, Zambia's imports and exports flowed through Rhodesia in a well-established system for many years.

The border situation has necessitated Zambia establishing new trade routes from the ports of Dar es Salaam in Tanzania and Mombasa in Kenya. This has doubled the distance from the ports to Zambia's capital at Lusaka.

The extra distance has reduced the efficiency of both imports and exports, placing an undue burden on the country's economy as total exports amount to some $838 million annually and total imports range around $631 million. A road and rail link now under construction from Dar es Salaam to Lusaka, however, should ease the burden of the long haul.

Zambia's marketed agricultural production reached $98.6 million in 1972, but declined by 13 percent to $85.4 million in 1973 due to less-than-ideal weather conditions, closure of the Rhodesian border that temporarily caused shortages of vital inputs, and farmer uncertainty about cost and availability of agricultural inputs and potential marketing problems.

THE ACCOMPANYING table shows that portion of Zambia's principal agricultural commodities marketed for the past 5 years. While the quantity of produce marketed may not reflect the actual availability of the specified commodities, the trends do reflect somewhat overall availability throughout the country as a whole.

In addition to the complete absence of wheat, the production table reveals other variances such as wide fluctuations in corn production, hence the high import level of these commodities. The number of cattle slaughtered was virtually stagnant from 1970 to 1972, and the 72,000 head slaughtered in 1972

was only slightly higher than the 71,000 slaughtered 8 years earlier in 1964.

Tobacco, a commodity for which the country has excellent potential, showed only modest improvement, while peanut production declined drastically, as did that of cotton.

Sugarcane production is the most significant bright spot with the output improving steadily since 1968. Even so, imports of refined sugar continued to increase, underscoring the difficulty of sufficiently accelerating agricultural production to keep pace with rising demand.

Using its vast land resources, Zambia could embark upon an expanded production program for beef and dairy cattle, oilseed, corn, wheat, cotton, fruits and vegetables, and enlarge its already thriving tobacco industry.

Up until the present time, tobacco

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ZAMBIAN FARMERS STUDY U.S. AGRICULTURE

U.S. Ambassador Jean Wilkowski, center, and Attaché Freeman (r.) bid bon voyage to John Hewlitt, Executive Secretary of the Zambian Commercial Farmers Bureau, who led a group of 14 Zambian farmers and their wives on a study tour of U.S. agriculture this summer. Zambian farmers are interested in raising production.

One of Zambia's largest tobacco farmers observes one of many beds on his farm, top left, prepared for planting a new tobacco crop. Up until the present time, tobacco has been the only agricultural commodity exported in significant quantities. As Zambia seeks ways to improve the production efficiency of other crops, farmers learn from experts, above right, and frequently inspect their crops during the growing period, left.

Oil Revenue To Finance Ecuador's Livestock Imports

By FRANCISCO SERRANO
Office of U.S. Agricultural Attaché
Quito

ECUADOR PLANS to upgrade its livestock and dairy industries by importing cattle, sheep, and hog breeding stock in a program largely financed with petroleum revenues and conducted under its 1973-77 Five-Year Plan. Many of these animals will come from Central America, but already the import program has been thrown off schedule because of a shortage of suitable animals in the countries there.

However, the United States has been a supplier of swine and beef and dairy breeding stock to Ecuador for many years, and it is likely this country will provide some of Ecuador's future requirements, especially of purebred breeding animals.

Envisaged under the Five-Year Plan is the investment in agriculture of the equivalent of US$554 million to achieve an annual growth in farm productivity of 5.3 percent. Agricultural programs that are part of the plan are being implemented as rapidly as possible and for once, financing is no problem.

In 1973, the Ecuadorean Government created a special Financial Fund through which $17.2 million was made available for livestock development projects, principally in the beef and dairy cattle areas. Some $7.2 million came from domestic sources and $10 million from the World Bank. Nearly 60 percent of the World Bank's funds has already been dispersed to 115 beef and 110 dairy projects.

The Government has also encouraged importation of breeding stock by eliminating all import duties and taxes and by speeding up the issuance of import permits. Other recent incentives given to aid the livestock and dairy industries were a 55.5 percent increase in the price of milk, from about 7 cents to 11 cents per quart, and about a 20-percent increase in the meat producer price, with a promise of future assistance in this area.

Among the other factors that appear to favor the success of Ecuador's livestock development program is an unsatisfied but rapidly growing demand for many basic commodities such as meat and milk, as well as sugar, rice, cotton, and wool. There are also potential export markets for these same commodities in Peru, Bolivia, Chile, Venezuela, and Colombia, Ecuador's sister members in the Andean Pact.

Ecuador's climate is also generally favorable to livestock production and there are extensive land tracts that are either underutilized or underdeveloped. And most importantly, the Government is giving tremendous support to the agricultural sector, especially through its liberalized credit policies.

There are, of course, several disincentives that have delayed the Government's drive to boost dairy and beef production. Perhaps the major one is Ecuador's Agrarian Reform Law passed in October 1973, which the country's commercial agricultural sector opposed, largely because of its property-right and land-value clauses.

In addition, the agricultural sector also wants greater Government cooperation in numerous areas, such as providing more remunerative producer prices, higher quality standards—which could benefit consumers as well as producers—and an improved marketing system, better seed varieties, and cheaper, more abundant fertilizer.

The Government is also hampered by a high rate of inflation—over 17.6 percent during 1973 and substantially higher so far in 1974. Principal causes of inflation are the failure of the agriculture sector to expand output in the face of a 3.4-percent population growth; increased demand for consumer goods and a better diet resulting from higher petroleum-based incomes; and the country's resultant need to import many of its agricultural commodities.

The Government realizes that increasing animal numbers and upping meat quality are long-term goals that will have little effect on current high meat

Clockwise from above, an Ecuadorean agricultural extension worker with a thoroughbred ram; youthful farmers with a pig bought on credit from the Government; an open air butcher shop; and a U.S. Aberdeen Angus bull imported for an Ecuadorean herd improvement project. The Ecuadorean Government plans to use some of its petroleum revenues to upgrade its livestock and dairy industries by importing cattle, sheep, hogs from Central America and the United States.

prices, but expects enlarged meat outturn to dampen future prices.

Most Ecuadorean livestock specialists believe that, while it would be possible to achieve both larger numbers and higher quality by using domestic breeds, these aims can be achieved more rapidly through cattle imports.

In 1972, Ecuador's cattle herd was estimated at about 2.51 million head, and 2.58 million the following year.

Livestock programs, prepared as part of the 1973-77 Plan, are continually being revised as new studies reveal the need for change. Until recently, for example, the Ecuadorean Government planned a phased livestock industry development program that would run throughout the entire 5-year period.

Starting with a beef cattle program for the littoral region, the Government planned to extend the scheme's benefits to the Sierra, or highland, dairy industry, and finally to the development of a beef cattle industry for Ecuador's higher elevations.

Although top priority is still being given to the development of cattle-related industries in the coastal area, more thought is now being given to the building of a coastal hog industry. Major emphasis is also being given to further development and improvement of dairy projects in the valleys of the Sierra ranging upward from 5,500 to 9,500 feet, the approximate altitude limits for Holsteins, the principal dairy breed in Ecuador. Use of other milk-producing breeds more tolerant to higher altitudes may extend the dairy belt even more.

The higher and middle altitudes, called the Páramos and sub-Páramos, are now to be used for sheep raising rather than for beef production, at least under Government programs. Private ranchers may, of course, choose to devote some of their holdings to beef cattle production. Although these herds are generally criollo breeds, they might be upgraded by the future introduction of U.S. animals.

According to a survey made under the Government's Five-Year Development Plan, at least 30,000 additional head of beef cattle are needed in the coastal area by small- and medium-size cattlemen. The Government, so far, has signed purchase orders for the equivalent of nearly US$3 million, of which $1.6 million has been used to acquire 4,700 head of cattle from Costa Rica and Panama. The Costa Rican purchases included 4,075 three-quarter Brahman-blood heifers from 18 to 24 months of age and 125 purebred Brahman bulls. The remainder, 500 purebred Brahman bulls, 20 to 24 months of age, came from Panama.

These cattle were distributed to 207 Ecuadorean ranchers under National Development Bank loans equivalent to between $10,000 and $25,000, with repayment over a 12-year period at 8-9 percent annual interest.

Ministry of Agriculture officials had planned to import 10,500 head of cattle from Costa Rica during 1973, but the Costa Rican Government set the limit at the 4,200-head mark.

Early in 1974, the Ministry of Agriculture called for bids for an unspecified number of heifers, 12 to 18 months of age, with three-quarter Brahman or Zebu breeding, and purebred bulls between 14 and 24 months of age. None of the offers were accepted, largely because of high prices.

A further effort made by the Government of Ecuador to buy 2,500 heifers of the Red Roman breed from the Dominican Republic was also unsuccessful because of internal problems in the exporting country. At the present time, Ecuador has a contract for 15,000 three-quarter Brahman heifers from Costa Rica. An additional 10,000 heifers may be bought from the United States if some sanitary requirements are solved. The main concern of the Ecuadorean Government is the possibility of piroplasmosis and anaplasmosis problems with cattle coming from areas free of these two diseases.

In addition to Brahman cattle for the coast, the Ministry believes there is currently a need in the private sector for at least 1,000 grade and 250 purebred Holstein heifers for the Sierra. The cattle cooperatives of the coast have a project to import 1,500 Brown Swiss which might, with the help of the Ecuadorean Government, be increased to 3,000. Around 1,000 animals have already arrived from the United States.

The United States, as the major breeder of dairy cattle, should be the supplier of most of these animals.

In the recent past, the United States exported more beef cattle to Ecuador than dairy cattle, but this year the situation seems to be reversed. In 1970, for example, U.S. cattle exports to Ecuador were 208 beef breeding animals and

three dairy cattle. The following year the totals were 320 beef animals and eight dairy cattle. In 1972 and 1973 totals for both types of cattle dropped, but in the first 6 months of 1974, beef cattle exports to Ecuador were 14, while dairy cattle mounted to 132 head.

Whether by design or circumstance, Ecuador's National Sheep Program is relatively more advanced at present than the swine program. Surveys have shown the sheep population to be largely of native breeds—small in size, bony, and producing only 1-2 pounds of wool per year. In contrast, native animals that have been crossed with imported breeds produce more than double the meat and wool of indigenous breeds.

Ecuador's sheep population was estimated at 2.02 million head, up just 39,400 head from the previous year, but hogs gained by 153,500 head to 2.2 million head between 1972 and 1973.

Sheep projects now being undertaken call for the expenditure of $500,000 in the country's highland Provinces. Much of the money will be spent to import breeding animals for herd improvement and growth. The Ministry already has a contract to purchase 170 ewes and 10 rams of the Cheviot breed. This is to be followed by the importation of up to 9,000 additional Cheviots, Rambouillet, or Corriedale. All of these are dual-purpose breeds recognized as top producers of wool and meat.

Ecuador's swine industry is in its earliest stages of development. Its growth is hampered because few commercial pork operations can compete with native producers whose hogs are virtually house pets and are fed at very low cost.

However, the Ministry of Agriculture believes the country's agricultural development has now reached the point where hog quality and numbers must be raised and the Government is beginning to push its swine program.

Most of the program's impact will be felt on the coast which has the greatest potential for the development of a hog-breeding industry, based on the availability of lower cost feedstuffs, particularly low-quality bananas.

According to the Government's timetable, the Ministry of Agriculture should be able to import the first 200-300 pigs, 4-5 months old, needed for its program by about the end of 1974. Imports will probably be of purebred Hampshire, Duroc, and Poland China breeds.

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U.S. Meat Imports Down

Continued from page 4

period of 1973. As a result, estimated beef production has been revised downward 5 percent from July forecasts to 900 million pounds (carcass weight equivalent) for a 9 percent drop below the 1973 level.

New Zealand's exports of beef and veal are expected to slide to 390 million pounds in 1974 from 454 million the year before. The major markets—the United States, the United Kingdom, and Japan—are taking less than in 1973.

In Ireland, feed supplies are down, laying the basis for continued heavy slaughter rates. These accelerating rates have boosted beef production for export this year some 54 percent to 472 million pounds. But so far beef exports are only moderately ahead of last year's, totaling 174 million pounds (product weight) during January-August, compared with 152 million in the 1973 period.

Because of the EC oversupply problem, these exports have been shifted away from Continental EC markets to the United Kingdom and the United States.

The discrepancy between production for export and actual exports has caused Government intervention stocks to rocket to some 100 million pounds as of late September—a weekly gain of 10 million pounds. Last year, intervention stocks were minimal.

In the meantime, Irish cattle prices continue to decline. As of September 3, the national average was at $26.80 per 100 pounds—off 24 percent from the April level, with market prices for cows and steers off 22 and 14 percent, respectively. Both cow and steer prices at that time were 10 percent below intervention levels.

In Central America, export packers resumed slaughter in August after having been forced to close during June and July because of unattractive manufacturing beef prices in the United States. However, export shipments continue to run below last year's.

Producers and export packers now face the decision of whether to sell cattle on a declining U.S. market or hold the animals until next year, when prices may be even worse. Because pasture conditions continue quite good, they are in a position to hold back if necessary.

Total exports from Central America to the United States this year are estimated at 180 million pounds, 30 million below those of 1973. Shipments from Nicaragua have been especially hard hit.

In Mexico, the Government on August 9 increased its 1974 beef export quota to 66 million pounds from the previous level of 38.1 million. It also reduced export taxes on fresh, chilled, or frozen beef by 75 percent to 9 cents per 100 pounds. Duties on male cattle weighing 175 kilograms or less were lowered by half, and those on cattle over 175 kilograms by 60 percent.

However, neither action is expected to have much effect on exports because of continuing unattractive prices in the United States. Exports to this country through August 15 totaled 24 million pounds, compared with 34 million in the same period of 1973, and they are estimated at 50 million for the entire year.

Among exporters of processed meat to the United States, Argentina is feeling the effect of sharply reduced trade in fresh beef to European markets, but so far its cattlemen remain in a surprisingly strong financial position. This reflects the mild winter of 1974, which sustained good-to-excellent pasture conditions.

Producers thus are in a position to continue herd retention at least through the end of 1974, and total slaughter may not exceed 10.2 million head, compared with 9.8 million in 1973 and an average 13 million head annually in 1967-70. During January-June slaughter totaled 5 million head—an increase of 4 percent from the 1973 period—and beef production also rose 4 percent.

Argentine beef exports during January-July 1974 fell 44 percent from the previous year's to 434 million pounds (carcass weight equivalent). And because of the EC ban on imports, shipments probably showed further sharp declines in August-October. As a result, total exports in 1974 could drop by more than 50 percent to around 600 million pounds.

Monthly shipments of 13 million pounds to the USSR in August-October have been the only recent firm export contracts, although small sales to Israel and Greece might develop.

Uruguayan beef exports for the remainder of 1974 appear bright, if previous commitments materialize. Through June, some 110 million pounds of beef had been exported, and commitments of 214 million were still outstanding. Of

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CROPS AND MARKETS

GRAINS, FEEDS, PULSES, AND SEEDS

Soviet Grain Progress Reported

As of September 30, 1974, a total of about 276 million acres of grain (excluding corn) had been cut in the Soviet Union—92 percent of the total area. About 272 million acres, or 99 percent of the cut area, had been picked up from windrows and threshed. Area remaining to be cut was about 24.7 million acres—about two-thirds in the RSFSR (Federated Respublic) and one-third in Kazakhstan—compared with 14.8 million acres left at the end of September 1973. In comparison with corresponding 1970-73 averages, area of grain cut was about 7.4 million acres larger, and area of grain threshed was close to 17.3 million acres greater. The amount of grain left in windrows at the end of September and the beginning of October this year was less than 4.9 million acres, whereas, on the corresponding dates of the past 5 years, over 12.4-14.8 million acres were still left to be picked up and threshed.

USSR: GRAIN HARVESTING AS OF SEPTEMBER 30, 1974
[In million acres]

Year	Area cut		Area threshed		Area unthreshed in windrows
	Total	Rate in latest week	Total	Rate in latest week	
1970	266.4	6.2	258.7	18.8	7.7
1971	(1)	(1)	(1)	(1)	(1)
1972	256	5.4	241.4	15.3	14.6
1973	279.7	4.4	264.9	11.9	9.9
1974	276	4.2	272.1	7.7	4

[1] Not available.

Poland's Grain Trade Expands

In 1973-74 Poland imported 3.4 million metric tons of grain or 30 percent more than imports during the previous year. The USSR was Poland's most important supplier with 1.2 million tons. However, for the second consecutive year, the USSR failed to fulfill its supply obligation of 1.5 million tons.

Poland's grain exports of 494,000 tons in 1973-74 were more than double those of 1972-73. Rye exports of 421,000 tons were almost three times those of the previous year and probably contributed to at least part of the sizable increase in corn imports.

Canada Schedules Feedgrain Symposium

The Canadian Wheat Board has scheduled a 4-day feedgrains symposium to be held in late November at Hakone, Japan. The symposium, which follows a 2-year program of feeding trials with poultry, hogs, and beef cattle in both Canada and Japan, is part of a long-term development program designed to encourage increased use of Canadian feedgrains and feedstuffs in Japan.

Presentations and panel discussions on the results of the feeding trials will occupy a prominent part of the program. Additional topics include the world grain outlook, the growth of the Japanese livestock industry and Japan's future food requirements, Canadian agriculture policies and crop research.

Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Oct. 15	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 1 CWRS-13.5	6.58	(1)	6.23
USSR SKS-14	(1)	(1)	(1)
Australian FAQ[2]	(1)	(1)	(1)
U.S. No. 2 Dark Northern Spring:			
14 percent	6.37	−13	5.51
15 percent	(1)	(1)	(1)
U.S. No. 2 Hard Winter:			
13.5 percent	6.31	−9	5.51
No. 3 Hard Amber Durum	8.55	+45	7.62
Argentine	(1)	(1)	(1)
U.S. No. 2 Soft Red Winter	(1)	(1)	(1)
Feedgrains:			
U.S. No. 3 Yellow corn	4.21	+1	3.06
Argentine Plate corn	4.41	+10	3.53
U.S. No. 2 sorghum	4.14	+1	3.18
Argentine-Granifero sorghum	4.15	0	3.20
U.S. No. 3 Feed barley	3.64	+2	3.03
Soybeans:			
U.S. No. 2 Yellow	9.96	−33	7.08
EC import levies:			
Wheat	0	0	0
Corn	0	0	.35
Sorghum	0	0	.21

[1] Not quoted. [2] Basis c.i.f. Tilbury, England.
NOTE: Price basis 30- to 60-day delivery.

Argentina's Sorghum Output Estimated

Sorghum production in Argentina for 1973-74 now is placed at 5.9 million metric tons. The latest estimate is 12 percent below the first estimate but still 19 percent above the 1972-73 production level.

FRUIT, NUTS, AND VEGETABLES

Canadian Fruit and Vegetable Storage Assistance Amended

Canada's Fruit and Vegetable Storage Construction Assistance Program has been amended to include major renovations to existing facilities. Now fruit and vegetable cooperatives and producer associations that plan to modify and upgrade storage

facilities will be eligible for financial assistance. Assistance for new buildings or additions is already available under the program. The change to include the upgrading of storage facilities will apply this year and in subsequent years of the program.

This change was made to benefit the many storage groups that already have large and sound facilities. These units could be converted to cold storage, controlled-atmosphere storage, or other types of refrigeration. The Program will pay up to one-third of the cost of a project to a maximum of Can$500,000.

A total of $1,359,000 has been granted under the Program since it was announced last year. It is intended to encourage storage construction to preserve perishable fruits and vegetables over an extended period of time.

Taiwan To Offer Import Tender for U.S. Apples

Reports from the Central Trust of China indicate that the Republic of China (Taiwan) was to offer an import tender for 150,000 cartons of U.S. apples around mid-October. If the intended purchase is finalized, this will mark the third consecutive year that U.S. apples have been made available to Taiwanese consumers. Shipments for the preceding two seasons involved apples produced in the Pacific Northwest and amounted to 133,790 cartons in 1973-74 and 32,984 in 1972-73.

TOBACCO

U.K. Cigarette Ads To List Tar Content

The U.K. tobacco industry has agreed that information giving the tar content will be included in future advertisements of all brands of cigarettes. The ads will show the tar grouping based on a table released by the Department of Health and Social Security. The table is divided into five groupings, ranging from low tar (0-10 mg. per cigarette) to high tar (29 mg. and over). Some ads carried the tar content information the day after the announcement.

Agreement to print the tar classification on cigarette packs has not been reached. The Minister of State at the Department of Health and Social Security has suggested, however, that the Government would like the industry to do so.

Mozambique Independence Affects U.S. Tobacco Exports

If Mozambique achieves complete independence from Portugal on June 25, 1975, as scheduled, it is almost certain to close the Mozambique port of Beira to Rhodesian shipping. If this happens, Rhodesian tobacco will have to go through South Africa at higher cost.

This situation has important implications for U.S. tobacco exports. Rhodesia was the largest foreign exporter of leaf of a type most competitive with U.S. exports prior to its Unilateral Declaration of Independence in November 1965 and the subsequent United Nations trade sanctions. However, in spite of sanctions, Rhodesia is exporting 100-200 million pounds of tobacco annually. Most of this goes through Beira.

Shipping through South Africa at higher costs would mean lower prices to producers. The average price received for the flue-cured crop harvested March-April 1974 was about 52 U.S. cents per pound, compared with 81 cents for Malawi flue and an expected US$1 per pound for the U.S. flue crop.

While production costs in Rhodesia are lower than those in the United States, it is believed that a price much lower than 52 cents would not provide sufficient incentive for continued producing in the face of the other difficulties involved. If Rhodesians do stop producing, the United States would have an opportunity to fill most of the gap until production could be reorganized.

LIVESTOCK AND PRODUCTS

Early Slaughter Seen For New Zealand Calves

The prospect for continued depressed beef prices is leading New Zealand dairymen to slaughter an estimated 250,000 newborn "bobby calves" this season—20 percent more than those slaughtered last year, and this increase would be even greater if slaughterhouses were not already operating at capacity. The current prospective return for feeding these calves for dairy beef is unfavorable. Prices for butter, cheese, and milk powder in New Zealand, however, are favorable.

Devaluation Affects Australian Beef Exports

On September 24, Australia and New Zealand announced a 12 and 9 percent, respectively, devaluation of their currencies against the U.S. dollar. The new rates are A$1=US$1.31 and NZ$1=US$1.18. Even with the Australian devaluation, cattle in Australia would have to be selling at around 20 Australian cents per pound (carcass) to meet the current U.S. manufacturing beef price at New York of 58 U.S. cents per pound, c.i.f. Export-type steers were selling for 22.6 Australian cents per pound in Queensland in late August and cows at 18.4 Australian cents per pound.

Prior to the devaluation, cattle in Australia would have had to be selling at 18 U.S. cents per pound to break even at current U.S. manufacturing beef prices.

DAIRY AND POULTRY

Canada's Egg Storage Problem Continues

The Canadian Egg Marketing Authority is continuing to have difficulty with its egg storage program. Reportedly, nearly 28 million eggs, valued at about $1 million, already have spoiled. The Canadian Government has provided some assistance to the industry by purchasing $1.3 million worth of eggs for the World Food Program.

EC Sells Poultry To Iran and Cuba

Denmark reportedly sold 8,000 metric tons of broilers to Cuba for shipment during the remainder of 1974. The average sale price was reported at 46 cents per pound. West Germany,

the Netherlands, and Denmark also reportedly have made broiler sales to Iran totaling 5,500 metric tons. The German price was about 33.5 cents per pound, ex-plant. The sales were made with the assistance of 6.5 cents per pound export subsidy and border equalization amounts.

Italian Milk Prices Rise

As a result of decisions made by various Italian municipalities to increase the retail price of milk to 38 cents per liter, producer prices are up, ranging between 22-23 cents per liter. The price of milk for processing has ranged between 17-18 cents per liter, but has gone as high as 35 cents per liter. In spite of the favorable milk situation, however, the market for most Italian cheeses has been weak.

Japan Produces, Consumes More Broilers; Egg Output Declines

Japanese poultry meat production in 1974 is estimated to be up 5 percent from that of 1973, despite higher feed costs. This increase includes a 6 percent rise in broiler output as well as increased slaughter of laying hens. Per capita consumption of poultry meat will, accordingly, exceed the level of a year earlier. Egg output is estimated to be down slightly in 1974.

Brazil's Broiler Output To Continue Uptrend

A substantial increase in Brazilian broiler output during the next 12 months is indicated as the result of a 37 percent increase from last year's level in the Brazilian broiler hatchery supply flock. This would continue and possibly accelerate the trend of recent years. Brazil's 1973 broiler production of 700 million pounds was up 32 percent from that of 1972, favored by ample feed supplies and a large urban market.

OILSEEDS AND PRODUCTS

PRC Cancels Soybean Imports

The People's Republic of China (PRC) has cancelled imports of 15.6 million bushels of U.S. soybeans for the current marketing year, according to the *Outstanding Export Sales Report* published by the U.S. Department of Agriculture for the week ending September 15, 1974. Trade sources indicate that the PRC resold the beans to U.S. firms involved in the original export contracts.

Major Markets Import Less Oilseed, Meal

According to the most recent import data, aggregate imports of oilseeds and meals into 8 major markets (Japan, West Germany, France, the Netherlands, Spain, the United Kingdom, Denmark, and Sweden) since January amounted to 8.7 million tons soybean meal equivalent—939,000 tons below the level for the same months in 1973. All countries except the Netherlands indicated some decline.

Imports of soybeans and meal by the 8 countries for the same period in 1974 totaled 6.3 million tons, meal basis, or 57,000 tons less than imports during the same months of 1973.

Despite the fact that continued poor livestock profitability would adversely affect prospective livestock and poultry output, meal prices have been relatively low compared with feedgrain prices. This reduced price ratio is expected to stimulate high protein feeding rates in 1975.

U.S. Steel Drum Shortage Easing

Reports from major U.S. vegetable oil exporters, drumming facilities, and steel companies indicate that there will be an increased availability of 55 gallon steel export drums during 1974. Vegetable oil exporters currently are being solicited by representatives of drumming concerns for business under terms (in regard to both price and delivery period) that are more favorable than those in operation during the past year.

The greater availability of drums is due to an increase in U.S. steel imports and a downturn in business activities. This news is encouraging as attempts to use plastic containers have been unsuccessful.

SUGAR AND TROPICAL PRODUCTS

Philippines Plans New Sugar Mills

The Philippines is expected to construct five, or possibly six, new sugar mills. The five mills planned will increase the milling capacity by 300,000-350,000 short tons over the current 3.2 million-short-ton milling capacity of the Philippine sugar industry. There are 37 sugar mills in the Philippines.

Guidelines governing the evaluation of applications for the new sugar mills include: Cooperatives will be given preference in setting up new mills to spread out the ownership base of the sugar mills; rice areas under the land reform program will not be converted to sugar land by the landowner (that decision will remain with the tenant); the proponent of the new mill must present an assured market, and preference will be given to mills requiring the least Government involvement.

U.S. Baler Twine Imports Continue High

U.S. imports of baler twine in August 1974 totaled 20.6 million pounds, bringing total imports of baler twine for the 11-month period, October 1973-August 1974, to 259 million pounds, up 24 percent from the import level for the same months in 1972-73.

Prices for East African sisal during September remained unchanged from August levels at $1,070 per metric ton, c.i.f., West European ports. Sharply higher prices for sisal in 1974 over those of the previous year have been reflected in higher import prices for baler twine. In August 1974, the average unit import value for baler twine was $1,274 per long ton, f.o.b. source (approximately $22.75 per standard bale of 40 pounds), compared with $325 per ton ($5.80 per bale) in August 1973.

Correction: Unit of measure for "World Pork Production" table on page 4, October 7, 1974 issue, should read in thousand metric tons.

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U.S. Meat Imports Trend Down as World Surplus Rises

Continued from page 12

the 214 million pounds, 132 million were committed for export through the National Meat Institute, 60 million to Brazil, and 22 million to Spain.

Beef production in Brazil is forecast down 13 percent this year to 4.7 billion pounds. The 176-million-pound (product weight) annual quota on exports has now been extended through 1975. Up to 60 million pounds of beef may be imported from Uruguay if domestic supplies become critical in coming months.

Yugoslavia is in serious difficulties, due to the EC import embargo on beef and live cattle. Cattle numbers were up 4.7 percent this year to 5.7 million head on January 1, 1974. Beef and veal production was 605 million pounds (carcass weight equivalent) in 1973, and the depressed export market for live cattle is causing higher slaughter in 1974.

The average export price for Yugoslav beef in the first 5 months of 1974 was 98 cents per pound, compared with $1.02 in 1973. Markets are limited, although Yugoslavia reportedly has taken the U.S. military beef market in Europe away from Ireland because of lower prices.

Beef exports in the first 5 months of 1974 were only 29 million pounds, compared with 53 million last year. Local consumption has also declined because of high retail prices.

Because of the presence of foot-and-mouth disease in their countries, Argentina, Uruguay, Brazil and Yugoslavia are permitted to ship only preserved meat to the United States. These exports are expected to be up a sharp 30 percent in calendar 1974, but at 190 million pounds, will still account for only about 13 percent of total U.S. meat imports during this calendar year.

Zambian Agriculture Assumes New Importance

Continued from page 9

has been the only agricultural commodity exported in significant quantities. Unfortunately, exports dropped from about 27 million pounds in 1965 to 8.8 million in 1972, valued at $4.2 million. Exports in 1973 were estimated at 9.2 million pounds.

The bulk of Zambia's tobacco exports is unmanufactured leaf, going mostly to Malawi. West Germany, Holland, and Australia are major buyers of strip and other forms.

Traditionally Zambia imports some $2.2 million in cigarettes, cigars, pipe tobacco, and other tobacco products. Most of the cigarettes come from the United States, the United Kingdom, Malawi, and France, while most of the cigars are imported from Holland and Switzerland.

ZAMBIA: ESTIMATED QUANTITY OF MARKETED AGRICULTURAL PRODUCTION, 1969-73

Commodity	Unit	1969	1970	1971	1972	1973 [1]
Maize	m.t.	273,990	135,200	399,950	616,554	378,000
Tobacco:						
Flue-cured	m.t.	5,023	4,794	5,908	5,532	6,228
Burley	m.t.	240	255	388	385	471
Oriental	m.t.	75	8	4	—	—
Sugarcane	m.t.	257,000	322,000	331,000	397,400	446,350
Groundnuts	m.t.	7,820	3,270	5,970	6,480	2,784
Cotton	m.t.	6,915	5,606	11,919	8,453	4,090
Sorghum	m.t.	1,181	545	90	212	200
Fruit	m.t.	3,100	4,800	5,600	5,900	5,500
Vegetables	m.t.	17,200	21,000	24,100	27,700	20,000
Milk	m.t.	16,260	15,610	16,000	16,586	16,774
Cattle	head	49,000	68,000	68,000	72,443	103,900
Pigs	head	27,000	35,000	34,000	32,000	32,000
Chickens	1,000 birds	3,800	4,000	4,425	5,500	6,200
Turkeys, ducks	1,000 birds	46	50	25	40	30
Eggs	mil.	93	99	108	115	123

[1] Latest estimate. Source: Ministry of Rural Development, Zambia.

Ecuador's Livestock

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The Ecuadorean Government's agricultural research unit, the Institute Nacional de Investigaciones Agropecurias, recently received 20 hogs from the International Center for Tropical Agriculture in Colombia and plans further imports for testing at its central research station in Quito and at Boliche, the country's principal coastal station for swine research. Some private imports of hogs are also expected. At the present time, one coastal firm is ready to import 130 pigs of the Landrace and Yorkshire breeds.

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